



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-10

RESOLUTION

AMENDING THE POLICY ON FUNDING THE OPERATING COST OF THE CITY BUS SYSTEM.

WHEREAS, the public transit system of the City and County of Honolulu ("City") is comprised of a bus system that provides regularly scheduled, fixed route service and a special transit service that provides paratransit services for persons with disabilities; and

WHEREAS, the City's bus system benefits the general welfare by increasing public mobility, lessening traffic congestion by diverting people from cars, reducing emissions and pollutants associated with vehicular travel, and decreasing the demand for limited on- and off-street parking; and

WHEREAS, an essential public service, the City's bus system is heavily used by visitors and residents alike; and

WHEREAS, through Resolution 00-29, CD1, the City Council ("Council") established a policy regarding the farebox recovery ratio, which is the ratio of bus fare revenues to operating cost; and

WHEREAS, per Resolution 00-29, CD1, the farebox recovery ratio shall be not less than 27 percent and not more than 33 percent; and

WHEREAS, according to Mayor's Message 23 (2018), the actual farebox recovery ratio for fiscal year 2017 was 26.74 percent and the estimated farebox recovery ratios for fiscal years 2018 and 2019 are 25.43 percent and 25 percent, respectively; and

WHEREAS, the Council believes that subsidizing the bus system is a worthwhile use of City funds and would like to amend the policy on funding the operating cost of the city bus system to reflect current farebox recovery ratios; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the funding of the annual operating cost of the City bus system, excluding special transit service and debt service, be governed by the following policy:

- (1) Bus fares shall be adjusted as provided under this policy so that the farebox recovery ratio does not fall below 25 percent nor exceed 30 percent; and



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- (2) The portion of operating cost remaining after application of paragraph (1) and intergovernmental grants shall be funded with the City's highway funds and general funds; and

BE IT FURTHER RESOLVED that following the adoption of this resolution, at the same time that the Mayor submits the annual executive operating and capital budgets to the Council for its consideration, the Mayor shall submit a report to the Council on: 1) the actual farebox recovery ratio for the previous fiscal year; 2) the estimated ratio for the current fiscal year, and 3) the projected ratio for the budgeted fiscal year; and

BE IT FURTHER RESOLVED that this resolution supersedes Resolution 00-29, CD1, and that all annual executive operating budgets submitted by the Mayor to the Council following the adoption of this resolution shall comply with this policy; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Director of Budget and Fiscal Services, the Director of Transportation Services, and the Rate Commission.

INTRODUCED BY:

Ann Koyanagi

DATE OF INTRODUCTION:

JAN 23 2019

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 19-10


Introduced: 01/23/19 By: ANN KOBAYASHI Committee: BUDGET

Title: RESOLUTION AMENDING THE POLICY ON FUNDING THE OPERATING COST OF THE CITY BUS SYSTEM.

Voting Legend: * = Aye w/Reservations

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| 02/06/19 | BUDGET | CR-36 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION. |
| 02/13/19 | COUNCIL | CR-36 AND RESOLUTION 19-10 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FORMBY, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI. |

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



ANN H. KOBAYASHI, INTERIM CHAIR AND PRESIDING OFFICER